

CWIP RECONCILIATION TEMPLATE INSTRUCTIONS (for CAMS)

General Instructions

- A separate reconciliation is to be prepared for each CWIP activity.
- CWIP activities are managed by one or more unique project codes (and in some cases by task codes (particularly at NESDIS). The Project codes included in each CWIP activity's reconciliation should agree to the CWIP Activity List maintained by the Central Budget Office and down loadable at the Budget Office web site.
- The reconciliations are to be summarized at the project code level across all fiscal years and all object classes.
- It is imperative that data in the Activity Manager's CWIP folder be supported by documents other than the CAMS CWIP Report (CA500D). The purpose of the Reconciliation Template is to verify CA500D Report balances against an independent source.
- The format and content of the reconciliation template is standard across NOAA. However, if the template's structure is not adequate for reconciling specific projects, then contact the Financial Statements Branch, OFA, in Germantown, before making revisions.
- Understanding the following relationships is essential to accurately report and reconcile CWIP balances:

Total Obligations = Undelivered Orders + Costs

Costs = Paid Expenditures + Unpaid Expenditures

Costs = services performed and or goods received (i.e. Delivered Orders) regardless of whether paid or unpaid.

Uncapitalized Costs = Costs – Capitalized Costs

Capitalized Costs are costs reported on the NF37-6 (Rpt of Completed CWIP Activity).

Note: Undelivered Orders are EXCLUDED.

- Use legal size paper to ensure the reconciliation is legible.

CWIP Activity Identifier Information Section

Enter the following information:

- CWIP Activity Code assigned by Budget (eg. NESDIS_01_003)
- CWIP Activity Title associated with the CWIP Activity Code
- NOAA Line Office
- Reconciliation Preparer's name
- Reconciliation Preparer's phone number
- Line Office Chief Financial Officer's or Management & Budget Chief's signature and date of approval.
- CWIP Activity's estimated cost
- Start up date
- Estimated completion date

If any CWIP activity information on the reconciliation does not agree to information reported on the Budget Office's *CWIP Activity List*, inform the Budget Office immediately.

Body of Reconciliation Template

Column A: Project & Task Code

Report each CAMS' project code supporting the Activity, on a separate line. Provide amounts at the CAMS' project code level for all years since project inception.

Organizations that have subactivities, noted on the Budget Offices CWIP Activity List, must enter task codes as well as project codes. The oversight program/line office must submit to OFA a list of all task codes, within the respective project code, to ensure that all task codes reported on the CA500D are captured in the reconciliation.

Column B: Activity Manager's Uncapitalized Costs:

The Activity Manager's Uncapitalized Costs are obtained from an independent CWIP File maintained by each activity manager. That CWIP File tracks Costs less Capitalized Costs, by project code and object class, since the inception of the CWIP activity.

Each item reported in the CWIP File is supported by documentation. The documentation must be maintained in the CWIP file, unless the documentation can be easily retrieved from another location. If documentation is maintained outside of the CWIP file, its location must be referenced.

Columns C, D, & E : Control Balances from the CWIP Rpt – CA500D

Data for these columns is obtained from the CA500D Report, which is downloadable via the CAMS data Warehouse. Once logged into that site, drill down through the following labels to access the CA500D:

- + CAMS Applications
 - > Data Warehouse --->
 - > Reports
 - > Cost Accumulation Reports
 - > CA500D Report.

Once inside the CA500D, select All Fiscal Years before running the report for your project and or task codes.

Column C: Costs

Costs represent delivered orders, which are goods received and or services performed (delivered orders) whether paid or unpaid. **Costs exclude undelivered orders.**

Activity managers are responsible for ensuring that individual documents are periodically reviewed for reclassification from undelivered orders to costs. This is primarily a concern on large contracts or documents that have an extended period of delivery of services/goods. Once all of the CWIP Activity's goods and services have been delivered, the undelivered orders should usually be zero.

If the undelivered orders are not zero, that would imply that the full scope of the work was either:

- (1) Not fully performed (Some goods and services not yet received/delivered)
- (2) Needs to be revised due to changes in actual quantities of goods/services needed.
- (3) Incorrectly recorded against another document or project/task code.

It is imperative that the undelivered orders reflect uncompleted work (goods/services) on the project. If undelivered orders are not reclassified to costs, as work is completed, the situation must be corrected as soon as possible by the activity manager.

Costs on the CWIP Schedule arise either from goods and services received, as evidenced by an *acceptance/receiving document*, or from Labor charges. To support Costs arising from the receipt of a good or service, each item on the CWIP Schedule must include key information from *obligating and receiving documents*, including: document type, document number, task number, object class, amount, org code, fiscal year, and a brief description of the goods or services provided.

To support Costs arising from Labor charges, the Activity Manager's CWIP File must include a reasonable estimate and support for Labor Charges.

Labor Costs charged to the CWIP Activity must be periodically analyzed for reasonableness so that incorrect labor can be revised on a timely basis. Labor costs are analyzed by comparing an estimated figure, based on supporting documentation in the T&A files, to actual charges reported on the CA500D Report. An estimated labor charge is based on payroll costs of all personnel charged to the project. In addition, the complete labor charges reported on the CA500D Report include miscellaneous charges from the following object classes: Leave Surcharge 1160/61, Benefits Surcharge 1210, and applicable NOAA Overhead 7708X.

Column D: Capitalized Costs

Capitalized Costs are obtained from the CA500D Report and they represent costs of a completed project, as stated on an NF 37-6, (Report of Completed CWIP Activity), it includes any amendments. When all work on an activity is completed, an NF 37-6 is submitted to the Real or Personal Property Office, by the activity manager and reflects the amount of costs to be capitalized.

The activity manager is responsible for periodically reviewing the CA500D Report's capitalized balances to ensure they agree to and are supported by an NF 37-6. Differences may arise due to time lags between the submission of the NF 37-6 and its recordation on the CA500D. However, if the capitalized costs in the CA500D do not look reasonable at year-

end, contact the Financial Statements Branch, OFA, Germantown, to ensure that the Finance Office has received all approved NF 37-6's.

Column E: Uncapitalized Costs

Uncapitalized Costs is a computed column on the spreadsheet. If Uncapitalized Costs in Column E do not agree to the CA500D Report, review your entries in Columns C and D for typos.

Column F: Differences

The Difference between the Activity Managers' Uncapitalized Costs and the CA500D is a computed column. It reflects the level of completeness and accuracy of the Activity Manager's CWIP file and the CA500D Report for a given project/task code. When the CWIP file and the CA500D are in agreement, Column F is zero. Auditors will be alert to differences reported in this column.

However, there are numerous valid reasons for differences arising between the CWIP File and the CA500D Report. It is the activity manager's responsibility to determine what those reasons are and to correct errors using document level or labor cost adjustments.

Certain differences may be considered immaterial for corrective action. The threshold for immateriality is based on the amount of the "difference" relative to total uncapitalized costs for the project. Materiality will be determined, on a case by case basis, by the Financial Statements Reporting Branch, Germantown. **On a general note, amounts by summary level object code, can be rounded to the nearest \$1,000.**

Columns G, H and I : Identifying the records that need to be adjusted.

All differences in Column F must be corrected, unless the Financial Statements Branch (Germantown) judges them to be immaterial for corrective action. Valid objects of corrections include Costs or Capitalized Costs on the CA500D Report, or the Activity Manager's CWIP File.

All adjustments referred to in Columns G, H, and I must be explained so that the Financial Statements Branch and contract auditors can easily understand the proposed adjustments. An explanation is also needed if there are remaining undelivered orders in a completed project. The explanations should document the cause of differences and actions taken to resolve them. Please attach a separate sheet if necessary.

Column J: Proofing the Adjustments Totals

The "Proof of Adjustments" column is a project-level control total to ensure that all differences in Column F are corrected in Columns G, H, and I. The balance of **Column J should equal the sum of columns G, H, & I which should equal the amount stated in the Differences Column.**

Proof of Costs Section

This supplemental area appears in the lower left hand corner of the Reconciliation Template. It solicits from the Activity Manager, by Project code, the Costs, Undelivered Orders, and Total Obligations from the CA500D Report. The Costs figures, by project code, are used in the main reconciliation section of the CWIP Reconciliation Sheet. The Undelivered Orders are excluded from the CWIP Reconciliation Sheet.

If you have any questions or concerns with these instructions, please contact Nick Bayer, Financial Statements Branch 301-413-2127 x 168.